

**Arizona Department of Education
Health & Nutrition Services
Family Child Care Homes Advisory Council
Tuesday, January 27, 2009
9:00 a.m. to 10:00 a.m.
JANUARY MINUTES**

Kenny Barnes – Family Child Care Homes (FCCH) Advisory Council Committee Chair, called the meeting to order at 9:10 a.m.

Advisory Council Attendees:

Lori Mendoza	Association for Supportive Child Care
Phyllis Montgomery	Child & Adult Community Resources
Kenny Barnes	Arizona Department of Education

Not In attendance:

Deanna Barrowdale	Mid-State Child Care & Nutrition
Cathleen Moore	Food for Children

Other Attendees:

Anna Burke	Child & Family Resources, Inc.
Angela Hilton	Nutrition & Health Education Resources
Katie O'Neill	BJ Enterprises
Teresa McCormack	Arizona Department of Education (Minutes)
Cathleen Reagan	Az Association of Family Day Care Providers

Welcome and Introductions:

- Committee Chair welcomed Advisory Council and participating sponsoring organizations. Okay, I want to welcome everybody back from the holidays and I hope that everyone had an enjoyable holiday season and ate a lot and all that good stuff. So let's just go ahead and jump into it – Okay. One thing that I want to discuss: I got an email from one of the sponsors pertaining to the 'compensation rule' as far as like the – 4 for compensation and 2 for non-compensation thing. I'll read the email as it was presented to me:

“Good Morning Kenny:

I am not sure how you would like to address this but I have a concern: The compensation for children that do not live in a provider's home and definition of compensation. This is how we have followed the rule; 4 for compensation, 2 for non-compensation = providers own children; they must reside in the home and be listed on the provider income application.

Providers have called me with concern that I am enforcing a rule that other sponsorships are not. Some provider's are inquiring about transfer to these programs so they can in exchange make more money on their reimbursement.

At what time is the state going to mandate that sponsorships follow this rule?
The other sponsorships are openly advertising they do not follow this rule.

Thank you for your follow-up on this issue.”

Compensation Rule: (K. Barnes)

- I want to know who is doing this – one thing I will say is this: If your provider's are just blatantly not following this rule and you as a sponsor go out on your monitoring visits and things like that, when you see that – it would be in your best interest to let them know what the rule is. How many children they can have and for the most part explain where the rules come from. Again, this is DHS's rule as far as 2 for non-comp and the compensation of CACFP reimbursement counted as compensation – that, and it sounds like just abiding by the (four/two) 4 for compensation and 2 for non-compensation. That was all that was said to me and when I get a chance which I haven't had a chance to, I'll give the sponsor a call and discuss in more detail as far as what else is going on and if she can give me names of sponsors who aren't abiding by this.

One thing I do want to stress and – I guess the easiest way to put it is like this: It's there whether you agree with it or not; whether you like it or not the rule is the rule and abide by it. Again if you know of a provider who is for the most part out of ratio – it's your obligation to let them know that they are out of ratio and they need to get back in ratio. What's happening is that complaints are being filed with DHS pertaining to this and DHS is actually going out to these homes and what's happening is that they are giving "Cease and Desist Orders" to these homes. All right, so what's happening is when a complaint is lodged, DHS goes out and they find out that the provider is out of ratio and has been out of ratio – they are 'not' giving them the opportunity to get back in ratio. DHS is actually shutting the house down. It's unlawful childcare because it is out of ratio and because it is an unlicensed AA.

So that's what is happening, I don't know what sponsoring organization it is – because I got another email saying that some sponsors are just saying that they are not going to abide by this rule. Again, I don't have the names of the sponsors that are in question, I don't know. I am going to find out and I hope that it isn't anybody in this room. I wouldn't be doing my job if I didn't pass this information on to you and that the 'rule' has to be enforced. Again, you may not like it you may not agree with it, okay – but it is what it is. We as CACFP Specialists when we go out we do monitoring visits and things like that – and we do unannounced random visits like we talked about at the last meeting. We see it and we have to report it and I know that it is a touchy issue to say the least, just for the simple fact that it's an unpopular rule. There is no other way that I can put it and address it to you but it would work out to everybody's advantage if you not only enforce what the rules are but also discuss with the providers what it is and where it came from. There is really nothing else that I can say at this point right now but do be aware. Be aware – if you or if you know of a sponsor, let them know that it will get reported and DHS will come out. In the event that they do find them out of ratio and not abiding by this, again – DHS is very serious about this and like I said this is not scrap-paper, this is actually going out to a home provider. (Kenny, holding up copy of "Order-Confirming Assessment of Civil Penalties")

- I am confused. From what I understood the State law says: AA homes have always fallen on DES rules not DHS. I've spoken to Brad Willis on this too – Brad Willis says, "no we do not count food as regular compensation." It's 4 for compensation and I do know that on the Standards it says it as a reminder that DHS... (C.Reagan)
- As far as that goes, again the last you heard was that DHS considered CACFP reimbursement being counted as compensation. That's not new. (K.Barnes)
- That is an individual's interpretation of a rule – Not the Rule. (K.O'Neill)

- Well – wait a minute. It's not an interpretation – It's DHS's Rule. (K.Barnes)
- It's not a rule. (K.O'Neill)
- Okay, well that's the way they presented it to us. That's the way they are telling us that it is. (K.Barnes)
- It's an individual's interpretation. (K.O'Neill)
- Until DHS tells us otherwise that is how we have to approach it though – until they say different we have to abide by that. (K.Barnes)
- If you have a DHS certificate – don't you have to follow DHS rule?
- They could have 15 children but they can't claim them all. (A. Hilton)
- I don't remember seeing new rules, so I guess maybe we need to be on the same page. DES, DHS, and AA. We need to have a meeting with all of them. (C.Reagan)
- Well, what I'll do when we send the Minutes – I'll send you a copy of what I'm talking about. It should have been out there for quite a while now but I'll be more than happy to send out what I'm talking about and at that point if you have any questions, concerns anything that you're not aware about then that would be the time to either contact me, contact your specialist or Melissa or Mary whomever you think you need to contact. I'm just going by information that I got last night – I don't have any other information about this but I did want to address it. (K.Barnes)
- This is huge – This is huge. This will need to be resolved. (C. Reagan)
- Yes and it will. (K.Barnes)
- I understand that this is the only state in the country that has this definition. (K.O'Neill)
- I don't understand what he is saying – what you're saying because I have providers that have a total of six children. Four of them grandchildren and they don't paid and two outside children that they do get paid. So I'm allowing them to claim the 6-children is that not right? I don't comprehend what you are saying – You know they have six total. Allot of my providers don't get paid because they're relatives. My DES and DHS are the ones that I follow that rule with according to their license because you have to go by their license. But AA homes, most of mine don't get paid anyway and if they do get paid there is never more than four kids and then the outside children are sometimes within the siblings that they are giving them a cheap rate just by charging them for four and keeping the two additional for free. So I don't comprehend what you're saying – you know, explain it. (P.Montgomery)
- With that example you are over ratio. (All)
- I didn't know none of that. (P.Montgomery)
- That's the norm – That's the norm with 90% of the sponsor. (C.Reagan, K.O'Neill)
- Yea, because my AA homes – that's the ones that don't get paid for four. Please - I'm not trying to do something or not abide by but we are told by the law that they can have up to six children. Most of these grandparents and these aunties that I have that are AA homes; they are not getting paid for three for four children that they care for. They are trying to do something favorable for their daughter or son that cannot afford regular daycare. So the mother may be giving them \$2-\$3 dollars for milk or whatever, you know what I'm saying but they are not getting paid for the childcare. That's a free thing to them. (P.Montgomery)
- So in the example you just gave me and stop me if needed. Six children in the household? And you say 4 not getting paid for and 2 getting paid for and nobody lives there. (K.Barnes)
- Nobody lives there and I never was told different and it's a total of six kids. I know four of them not getting paid for and two of them they getting paid for. They are usually friends of the daughter's that need childcare – and so they charge them but they don't charge their own children. (P.Montgomery)

- And my AA's, the ones that are not compensated are they relatives like – aunts and relative care children: grandchildren, nieces and nephews. (K.Barnes)
- Most of my DES and DHS homes are all getting paid for – so that's a difference situation. (P.Montgomery)
- Let me address this with Melissa because I'm getting two different stories now. (K.Barnes)
- Because the way you're making it sounds, is that that they are getting paid for four and you are saying that if they have a total of six and they are getting paid for four they can't get paid for the other two but they can be in the house. (P.Montgomery)
- The rule says that any child in that home has to be offered food – So now you're telling them you gotta offer it to them – you gotta feed them but you can't claim them. (C.Reagan)
- Well don't want them to abuse the rule but we can't make them put them out. I feel good that they are eating a good meal – with some of these kids this is the best meal that they are getting. (P.Montgomery)
- For example in Georgia, they can have up to 10 kids for compensation and all other states. (K.O'Neill)
- For example, when you travel for ADE – Is your mileage part of income? – should this be part of your taxes? (K.O'Neill)
- And the children – all the ones on my program, I don't have any Tier 1 providers – I would like to have some but I don't have any – These are poor people and poor children. We are going to be taking out of their mouths because that means the provider is not going to be able to go out there and with today's time – economical things are going on, we need to be trying to help not come up with rules that are going to take food out of these kids' mouths. Now, I'm all for following the rules Kenny but that's something that they need to reconsider is the children because the little money that we are giving them is not enough. I don't know about any of the other people, but I can say this for a fact – we do a grocery thing with our providers and anytime one finds something good on sale is they call in and they say they got bread here on sale. This works good and it also shows me that the little money that they get it's usually not enough to feed a child for a month. If you divide \$500 into 5 or 6 kids it will cost you at least \$10-\$20 to feed the kid three meals a day and that's homemade meals, okay. (P.Montgomery)
- Mine serve them four or five meals and they only get paid for three. (C.Reagan)
- My homes are all Nana's caring for children and we are taking that away. (A.Burke)
- Other comments made cannot be heard because two and more people were talking at once. (T.McCormack)
- I don't know I haven't seen the rule – I haven't seen the rule. (C.Reagan)
- This all makes record keeping very difficult – I have noticed that on DHS homes they are only listing 10 but there are really 15. So it is difficult to record what you see and be able to compare that to the menu and how they match – because they never match anymore. (A.Hilton)
- DES's comment is that they absolutely do not consider food program compensation. DHS and DES won't talk to us. (C.Reagan)
- DHS has written rule to serve meals according to time in care. Even Tier 1—compensation doesn't cover meals. Not payment for trade of daycare services. We need you guys to fight for us on this. The rule is against intent of the food program. (K.O'Neill)
- We hear from DHS and then we are hearing this from you. (C.Reagan)
- I want to do the right thing by my providers. (P.Montgomery)
- If they have to follow DHS rules then they should be able to have 10 kids. (C.Reagan)

- I'm going to address this with Melissa and have her just set me down and explain to me everything that we just talked about regarding your concerns of CACFP compensation intent. I got everything that you ladies said here on tape and by the time we send the minutes out one way or the other there will be some kind of information as to what you should be doing and you will know about it by the end of the week. Actually, you may know about it by the end of the day – you will get a definitive explanation as to what we just discussed. Is there anything else we want to say about this before we move on? (K.Barnes)
- Going back to Phyllis's scenario and how providers will be limited – and we were told to post different scenarios: Providers own children in addition to four. We knew we were going to get individual scenarios and situations and we needed to know what we were going to tell them. That's what I were told – the providers own plus four for compensation and the provider had the income application and getting the provider income qualified. Does that make sense, do you know what I am trying to say. (L.Mendoza)
- That goes back to relative care. (K.Barnes)
- That just goes back to relative care which is DES rules which were written 15 years ago. All of our examples – they all watch 4 kids and they get paid to watch 4 kids. (C.Reagan, K.O'Neill)
- The definition is where they either live with them and the providers can quality. (L.Mendoza)
- With this ruling they are being penalized. No one understands the rule because we are all doing something a little different. (C.Reagan)
- This is what we'll do: Like I said, after I discuss this with Melissa and she gives me a definitive answer – this is what it should be – the 'rule'...blah, blah, blah. We'll actually send out a memo to everybody. And you know for the most part there is some confusion or whatever... blah, blah, blah – but here it is in black and white, this is the way it should be. Whatever it is that she explains to me we'll get it sent out. (K.Barnes)
- Will this have to go through an approval/rule making process before you get the information to us or does Melissa just change the rule? If it is a policy there is a rule changing process and compensation – it doesn't say anything about cancelling. (C.Reagan)
- We have all been going by that book. (P.Montgomery)
- This is huge. (C.Reagan)
- This is the time that you guys could really be advocates. (K.O'Neill)
- This is about the providers and children not the sponsor. (C.Reagan)
- Which is the process we are doing right now? (K.Barnes)
- We need ADE to challenge DHS rule. (A.Burke)
- You would have to go before their board and do all that. We would be happy to be of support. (K.O'Neill)
- I am having a situation with a provider: Her comment is that the program is so much work – what would keep me from going underground. I want you to stay on the program and I want to do a good job – why go underground? (A.Burke)
- Should she take the IRS deduction in the Tier 1 rate when she is in a Tier II neighborhood? So that's the repercussion that we're having. First they stop giving them milk and then they stop giving them fruits and vegetables. (K.O'Neill)
- Truth is told this is what it's all about. There is going to be a lot things come out of my mouth that you guys will disagree with and you know the whole purpose is to get your feedback, alright. This is not just agree with everything or nod you head with everything that comes out of my mouth. You are professionals and you got your own comments, you got your own opinions, alright. We would have no need for this council if all you did was sit

over there and say “okay”. So again, that’s what this is for – so yes, I am glad that I brought it up. Now you don’t go sticking something under my car or something like that. (K.Barnes)

- What are you driving – everyone laughs!
- Not that I don’t want to continue with this but not everyone was privy to this memo and when you sent that with the minutes you indicated that you had discussed this whole reimbursement memo with and being able to have AA homes again remember. And as long as there was a local authority doing the health and fire inspections and then the last paragraph talked about the compensation rule. It was just a memo I know, but I kind of think that’s when it was put out there. (L.Mendoza)
- I know this came out initially from December 2007, CN#003-08 Child Care Home Transition Update Memo. It was my understanding that memos were to be posted on CNPWeb for everybody. I know that that when you go online – when you try to submit a claim you should be able to click on ‘memos’ – that is my understanding. Last memo that DCH sponsors can view online is AZ#003-08. We will definitely follow-up on this since my understanding is that we started posting memos online 1 to 1 ½ years ago. We’ll follow-up on that okay, now let’s move on. (K.Barnes)

Family Child Care Homes on Reservation: (K. Barnes)

- Melissa went to a Tribal Head Start Conference a couple of weeks ago and apparently they are going to start childcare homes. They are going to start a Sponsoring Organization for childcare homes. “New Family Child Care Regulations” handout given to meeting attendees. (K. Barnes)
- Okay, now look when we get a person that is on the reservation they have to have a separate certificate because I have a person. They get a thing from the tribe – it’s a tribal thing. So now the tribe will only give it to them if they have a CDA credential or Associate’s or Bachelor’s degree. (P.Montgomery)
- Comments made in reference to Sanitation Permits and Letter from Department of Health and Human Services – Environmental Health and Engineering. (T.McCormack)
- Yes, I’m just passing on information to you – this is what Melissa got at the conference and it shows some of the requirements that they are going to be required for the Providers. (K.Barnes)
- Okay, that’s what I thought. (P.Montgomery)
- You know what though – up in like Mountain Apache Indian Reservation off the Navajo Indian Reservation and up in Whiteriver just the headstarts – a lot of those teachers there they are getting their Associate’s. Whiteriver as opposed to the Navajo Indian Reservation – Whiteriver has a steady employment of teachers there and in the Navajo reservation the turnover is like crazy. I go up to Whiteriver every year and speak at their In-Service and I see the same teachers there every year – these are the ones that have their associate’s or a regular early childhood education degree. (K.Barnes)
- You’re talking about the Sponsor – I thought you were taking about the providers. (K.O’Neill)
- We have a group of people doing childcare homes – they have about 300 homes that are on the food program. We went to this presentation but there were only five people that showed up. So they have in old Tucson the Yaqui ones and they have a lot of homes. (A.Burke)
- Other comments made cannot be heard because two and more people were talking at once. (T.McCormack)

- They have Headstarts up there on the Navajo reservation and like the ones that I've had. I have Ft. Defiance Agency, Tracey has Chinle and Joe has Tuba City. The ones I have at Ft. Defiance they have separate Headstarts and that's just mine in Ft. Defiance. I don't know how many Tracey and Joe have. Whiteriver is only 3 or 4 – but you know what, it could be just that Whiteriver is smaller. The difference between Navajo reservation and White Mountain Apache reservation is like night and day. I've never done a home visit on a reservation but I've done the little Headstarts schools up there and they just have a difference in mentality as far like from Whiteriver and Navajo. Mara who runs the Headstart at White Mountain reservation, she handles everything from this program to specialized stuff. She had a tight rein on all this and she's like – you have to do this and you have to do that. The Navajo reservation just kind of like...whatever... When I went up there to the Navajo reservation in September they won't abide with the meal times for breakfast – they're serving breakfast as late as 10 o'clock and they say: Well you know the bus doesn't get here until 9:45 and you know that's when we do breakfast. Well you can serve them breakfast food but you can't claim it as breakfast – and they say; Well, why not? I was there for three days and I hate every minute of it – at the end of the day I go hide in my hotel room. (K.Barnes)
- They are on a different time zone. (L.Mendoza, others)
- This was information just to let you know what was going on with them. Next time I go to the reservation I'm taking Teresa with me. (K.Barnes)
- When I was with school lunch I hiked down the canyon to do NSLP and CACFP. I use to love going down there to review Havasupai. (K.O'Neill)
- That's Tracey's – Tracey goes down there and I'm glad. I've got the less of two evils. It's just getting to get where you need to – she's had to take a helicopter. Some places we have to go to are so remote it's like taking you back 100 years – Navajo Indian Reservation. I stay at Window Rock but when I leave the hotel and start going up that Mountain you can see how it changes from city to dilapidated buildings and people hitchhiking. (K.Barnes)
- When I went there the dogs use to terrify me – they would chase the car and go after the tires. I would be petrified to get out of the car and so I would call and let them know that I was here – could you come out. (L.Mendoza)
- So yes, it's a whole different mentality up there – it's kind of like 'wow'. That's why I want to take Teresa – cause when you hear these stories. More discussion. (K.Barnes)
- Okay does anyone have any public participation – no? (K.Barnes)
- Who sent the Direct Deposit forms with the reimbursement warrant? We don't do it because then all moneys go into the direct deposit account. Also, because we don't want to give them permission to take money out of our account and because we want a paper trail. (K.O'Neill and others)
- The State of Arizona GAO sent out the form – they are recommending direct deposit but if you don't want to do it you don't have to. The form is returned directly to the GAO office. We include the form with the new sponsor applications. Thanks for bringing it up because I didn't know they had been sent. (K.Barnes)

Information Sharing and Closing Remarks:

- Angela Hilton from Nutrition & Health Education Resources – Request to Address Advisory Council on the following:

- ADE Auditor switches from Heinfeld, Meech & Co., P.C. to John C. Todd II, PC. Last time we were audited by Heinfeld, Meech & Co., P.C. and now I've gotten a call from another auditor John C. Todd II, PC.
- I thought we were on a 3-year cycle on audits.
- Why are we switching back after 1-year? It is a lot of work – a more intensive process each time there is an auditor switch. They require huge amounts of copies to the auditor.
- Will they be switching auditors on us every year?

That's not a problem I'll find out and let you know with when the Minutes are sent. (K.Barnes)

- Anna Burke from Child & Family Resources, Inc.– Request to Address Advisory Council on the following:
 - AA Standards have been translated to Spanish and Specialist Elsa has approved – I would be happy to forward them on to anyone that needs them.

Deanna and Isis have Standards translated and did you all get copies of the translated standards. I've seen Deanna's but I haven't seen the ones that Isis did – Elsa or Cori was going to review them. We need to review that nothing was left out in the translation. Elsa is looking them over because she is our Spanish speaker. (K.Barnes)

Closing Remarks:

- Good seeing you all it's been awhile – some of you have reviews coming up this year. I'll be coming with Joe and Mandy on their reviews. Thank you, it's good to see everybody and I'll get this stuff to you as soon as possible so that everybody is on the same page. This is my last day cause I'm gone the rest of the week – I'm actually having out-patient knee surgery tomorrow but I'll be back in the office Monday.

Meeting concluded at approximately **10:35 a.m.**

Next Advisory Council Meeting:

Tuesday, March 24, 2009 – 9:00A-12:00P Conference Room 107